

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 95-11

Introduced by Council President Parrott at the request of the County Executive

Legislative Day No. 95-6 Date February 21, 1995

AN ACT to add Section 123-54, Research and Development Tax Credit, to new Article V, Personal Property Tax Credits, of Chapter 123, Finance and Taxation, of the Harford County Code, as amended; to provide for a tax credit for certain personal property consumed in or used primarily for research and development pursuant to Section 9-233 of the Tax Property Article of the Annotated Code of Maryland; and generally relating to the credit.

By the Council, February 21, 1995

Introduced, read first time, ordered posted and public hearing scheduled

on: March 21, 1995

at: 7:00 p.m.

By Order: James D. Varney, Acting Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on March 21, 1995, and concluded on, March 21, 1995

James D. Varney, Acting Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

Section 1. Be It Enacted By The County Council of Harford County, Maryland, that Section 123-54, Research and Development Tax Credit be, and it is hereby added to new Article V, Personal Property Tax Credits, of Chapter 123, Finance and Taxation, of the Harford County Code, as amended, all to read as follows:

Chapter 123. Finance and Taxation

ARTICLE V. PERSONAL PROPERTY TAX CREDITS

§ 123-54. RESEARCH AND DEVELOPMENT TAX CREDIT.

(A) THERE IS HEREBY ESTABLISHED, PURSUANT TO §9-233 OF THE TAX PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, A PROPERTY TAX CREDIT AGAINST THE COUNTY PROPERTY TAX IMPOSED ON MACHINERY, EQUIPMENT, MATERIALS, AND SUPPLIES:

(1) THAT ARE CONSUMED IN OR USED PRIMARILY IN RESEARCH AND DEVELOPMENT; AND

(2) THE SALE OR USE OF WHICH IS EXEMPT FROM THE SALES AND USE TAX UNDER SECTION 11-210 OR SECTION 11-217 OF THE TAX - GENERAL ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

(B) AS USED IN THIS SECTION, "RESEARCH AND DEVELOPMENT" MEANS:

(1) BASIC AND APPLIED RESEARCH IN THE SCIENCES AND ENGINEERING; AND

(2) THE DESIGN, DEVELOPMENT, AND GOVERNMENTALLY REQUIRED PRE-MARKET TESTING OF PROTOTYPES, PRODUCTS, AND PROCESSES.

(C) AS USED IN THIS SECTION, "RESEARCH AND DEVELOPMENT" DOES NOT INCLUDE:

(1) MARKET RESEARCH;

(2) RESEARCH IN THE SOCIAL SCIENCES OR PSYCHOLOGY AND OTHER NONTECHNICAL ACTIVITIES;

(3) ROUTE PRODUCT TESTING;

(4) SALES SERVICES;

(5) TECHNICAL AND NONTECHNICAL SERVICES; OR

(6) RESEARCH AND DEVELOPMENT OF A PUBLIC UTILITY.

(D) THE AMOUNT OF THE TAX CREDIT GRANTED HEREBY IS EQUAL TO THE COUNTY PROPERTY TAX IMPOSED ON THE ASSESSMENT OF THE PROPERTY DESCRIBED IN SUBSECTION (A), ABOVE, IN EXCESS OF TWENTY-FIVE PERCENT (25%) OF THE ORIGINAL COST OF THE PROPERTY.

(E) APPLICATION FOR THE TAX CREDIT ESTABLISHED HEREIN SHALL BE MADE IN THE MANNER PRESCRIBED BY REGULATIONS ADOPTED BY THE DEPARTMENT OF ASSESSMENTS AND TAXATION OF THE STATE OF MARYLAND.

Section 2. BE IT FURTHER ENACTED that the Secretary of the Council shall submit a copy of this Bill upon enactment to the Department of Assessments and Taxation of the State of Maryland.

Section 3. BE IT FURTHER ENACTED that the tax credit established herein shall take effect for the taxable year beginning July 1, 1995, and for each taxable year thereafter, and shall apply to eligible personal property acquired or transferred into the county after January 1, 1995.

Section 4. AND BE IT FURTHER ENACTED that this Act shall take effect sixty (60) calendar days from the date it becomes law.

EFFECTIVE: June 19, 1995

The Secretary of the Council does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.

James D. Varnum
Acting Secretary

HARFORD COUNTY BILL NO. 95-11(Brief Title) Personal Property Tax Credit -
Research and Development

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

ENROLLED

James D. Vannoy
Acting Secretary
of the CouncilJoanne A. Parrott
President of the CouncilDate April 11, 1995Date 4/11/95

BY THE COUNCIL

Read the third time.

Passed: LSD 95-11 (April 11, 1995)

Failed of Passage: _____

By Order

James D. Vannoy
Acting SecretarySealed with the County Seal and presented to the County Executive for approval this 13th day of April, 1995 at 3:00 p. m.James D. Vannoy
Acting Secretary

BY THE EXECUTIVE

Colin M. Redmann
COUNTY EXECUTIVEAPPROVED: Date April 18, 1995

BY THE COUNCIL

This Bill (No. 95-11), having been approved by the Executive and returned to the Council, becomes law on April 18, 1995.

James D. Vannoy
Acting Secretary

EFFECTIVE DATE: June 19, 1995